



Activity Review

North Carolina State Board of Certified Public Accountant Examiners

1101 Oberlin Road, Suite 104 • PO Box 12827 • Raleigh, NC 27605 • 919-733-4222 • No. 1-2007

Rules Effective January 1, 2007

On September 18, 2006, the Board conducted a public rule-making hearing to amend the North Carolina Accountancy Rules cited as 21 NCAC 08G .0401, .0403, .0404, .0406, .0409, and .0410.

On December 14, 2006, the Office of Administrative Hearings notified the Board that Rules Review Commission had approved the amended rules.

The amended rules, which are printed below, have an effective date of January 1, 2007.

Please note that the Board no longer publishes a rule book; however, the full rules are published on the Board's web site, www.nccpaboard.gov.

(References are to the North Carolina Register, Volume 21, Issue 1.)

21 NCAC 08G .0401, is amended as published in 21:01, page 51, as follows:

.0401 CPE REQUIREMENTS FOR CPAs

(a) In order for a CPA to receive CPE credit for a course:

(1) the CPA must attend or complete the course;

(2) the course must meet the requirements set out in 21 NCAC 08G .0404(a) or (c); and

(3) the course must increase the professional competency of the CPA.

(b) The Board registers sponsors of CPE courses. A CPE course provided by a registered sponsor is presumed to meet the CPE requirements set forth in 21 NCAC 08G .0404(a) if the sponsor

has indicated that the course meets those requirements. However, it is up to the individual CPAs attending the course and desiring to claim CPE credit for it to assess whether it increases their professional competency.

(c) A course that increases the professional competency of a CPA is a course in an area of accounting in which the CPA practices or is planning to practice in the near future, or in the area of professional ethics or an area related to the profession.

(d) Because of differences in the education and experience of CPAs, a course may contribute to the professional competence of one CPA but not another. Each CPA must therefore exercise judgment in selecting courses for which CPE credit is claimed and choose only those that contribute to that CPA's professional competence.

(e) Active CPAs must complete 40 CPE hours, computed in accordance with 21 NCAC 08G .0409 by December 31 of each year, except as follows:

Rules

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NC Public Campaign Fund

The North Carolina Public Campaign Fund (the Fund) was established by NCGS 163-278.61 to support a non-partisan court system.

To ensure the financial stability of the Fund, NCGS 105-159.2 was enacted to allow filers of North Carolina personal tax returns to designate \$3.00 to the Fund.

Individual filers (or, in the case of a married couple filing a joint return, both individuals) must be given the opportunity to agree or object on the personal tax return to allocate \$3.00 to the Fund from the income tax paid that year if there is an income tax liability of at least \$3.00.

A paid tax preparer of the individual's personal tax return may not mark an agreement or objection to the allocation without the taxpayer's consent.

As part of their tax preparation services, CPAs should provide information on the Fund and the designation of tax to the Fund.

Information on the Fund is available from the non-partisan, non-profit organization, Democracy North Carolina: www.democracy-nc.org. Information is also available by phone (1-888-687-8683) or by e-mail (info@democracy-nc.org).

www.nccpaboard.gov

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Disciplinary Actions

Henry Paul Leonard, III, #24816
High Point, NC 11/20/2006

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 24816 as a Certified Public Accountant.
2. In October of 2005, Respondent was convicted of attempted solicitation by computer of sex with a child which is a Class 1 Misdemeanor.
3. Respondent was sentenced to thirty (30) days in custody, which sentence was suspended, and he was placed on twelve (12) months of supervised probation. In addition, Respondent was required to pay a one hundred dollar (\$100.00) fine, one hundred ten dollars (\$110.00) in Court costs, and two hundred dollars (\$200.00) in community service fees. Respondent was required to complete one hundred (100) hours of community service within ninety (90) days of his sentence date. Further, Respondent is not allowed to use a computer other than at work, and was ordered to comply with other restrictions and requirements.
4. On October 5, 2005, the Grand Jury for Superior Court in Davidson County issued 24 indictments against Respondent for "Third Degree Exploitation of a Minor." On November 16, 2006, Respondent entered a guilty plea to felony counts of third degree exploitation of a minor in Davidson County. He was sentenced to 5 years probation, with six months intensive probation and ordered to attend the sex offenders program.
5. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Order with the Board *ex parte*, whether or not the Board accepts this Order as written.

BASED UPON THE FOREGOING, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's actions as set out above constitute violations of NCGS 93-12(9)a, NCGS 93-12(9)e, and 21 NCAC 8N .0201 and .0203(b)(1).

BASED ON THE FOREGOING and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Henry Paul Leonard, III, is hereby permanently revoked.

Clifford Arthur Clark, #9433
Raleigh, NC 11/20/2006

THIS CAUSE coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, at public hearing, with a quorum present, the Board finds, based on the evidence presented at the hearing on November 20, 2006, that:

FINDINGS OF FACT

1. The parties have been properly identified.
2. Respondent was the holder of a certificate as a Certified Public Accountant in North Carolina. In 1986, Respondent forfeited his certificate, but, under the Rules of the Board, Respondent could otherwise apply for reinstatement of his certificate, and is therefore subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including

the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board. The Board has jurisdiction over the Respondent and this matter.

3. Respondent received at least fifteen (15) days written Notice of Hearing of this Matter by personal service, certified mail, or other approved personal delivery.
4. Venue is proper and the Noticed Hearing was properly held at 1101 Oberlin Road, Raleigh, North Carolina
5. Respondent had no objection to any Board Member's participation in the Hearing of this Matter.
6. Respondent was not present at the Hearing and was not represented by counsel.
7. On or about July 11, 2002, Respondent signed an agreement with a former employer and others in which he acknowledged the unauthorized withdrawal of \$1,479,064.00 by Respondent and a company owned by Respondent from one or more accounts of Respondent's former employer. Said agreement was effective on July 30, 2002, and provided for repayment of the unauthorized withdrawals, resignation of Respondent, and confidentiality in exchange for the former employer's agreement not to initiate legal action against Respondent and not to cause "anyone else to commence any legal proceedings of any nature in any forum" regarding the matter.

CONCLUSIONS OF LAW

1. Respondent's misappropriation of funds is a violation of NCGS 93-12(9) and 21 NCAC 8N .0203, and thus 21 NCAC 8F .0111(a).

BASED ON THE FOREGOING, the Board orders in a vote of 7 to 0 that:

1. The Certified Public Accountant certificate issued to Respondent, Clifford Arthur Clark, is hereby permanently revoked.
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THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 3951 as a Certified Public Accountant.
2. A client engaged Respondent in June of 2002 to represent the client before the Internal Revenue Service (IRS) regarding the client's tax liabilities.
3. On July 19, 2002, the client assigned his power of attorney (POA) without restrictions to Respondent with respect to Respondent's representation of the client before the IRS.
4. On January 31, 2004, Respondent submitted to the IRS an Offer in Compromise (OIC) on behalf of the client. On October 13, 2004, the IRS modified the OIC and returned it to Respondent.
5. Respondent exercised his professional judgment and, based on the client's POA, Respondent decided not to appeal the October 13, 2004, IRS's modified OIC decision.
6. In December of 2004, Respondent informed the client's sister that Respondent was terminating his relationship with the client.
7. On January 12, 2005, the client's new CPA, on behalf of the client, requested specific client records be returned which Respondent provided on January 13, 2005.
8. On February 2, 2005, the client's sister requested the return of all of the client's records. Believing that all client records had been previously returned, no additional client records were returned until September 28, 2005, when Respondent found additional original client records "tucked behind [client's] January 2002 OIC" and thereupon returned additional original client records to the client's new CPA.
9. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss

this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED UPON THE FOREGOING, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's failure to return all client records upon demand constitutes a violation of NCGS 93-12(9)e and 21 NCAC 8N .0305.

BASED ON THE FOREGOING and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. Respondent is censured.

Walter A. Skorski, #28658
Chapel Hill, NC 11/20/2006

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 28658 as a Certified Public Accountant.
2. Respondent was engaged to prepare a client's 2004 income tax returns and was to return the client's records after the returns were completed. The tax returns were completed on or about June 30, 2005, but Respondent did not give back the client's records when Respondent sent the client the completed tax returns.
3. Upon the client's demand for the

client records, Respondent told the client that he would mail the records to the client, or would hand deliver the records when Respondent was traveling in the client's home state. The client subsequently made numerous attempts to contact Respondent regarding the unreturned records but the client records were not returned.

4. In responding to Board correspondence regarding the return of the client records, Respondent stated that he had attempted to return the records in September of 2005 but claimed that the mailing was returned because the US Postal Service could not obtain a signature for the "priority" mailing.

5. The client verified to the Board that all client records were received on February 2, 2006, and informed the Board that "circumstance existed that may have resulted in miscommunication" between Respondent and the client.

6. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED UPON THE FOREGOING, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's actions as set out above constitute violations of NCGS 93-12(9)e and 21 NCAC 08N .0305 (a).

BASED ON THE FOREGOING and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. Respondent is censured.

Rules *continued from front*

(1) CPAs having certificate applications approved by the Board in April-June must complete 30 CPE hours during the same calendar year

(2) CPAs having certificate applications approved by the Board in July-September must complete 20 CPE hours during the same calendar year.

(3) CPAs having certificate applications approved by the Board in October-December must complete 10 CPE hours during the same calendar year.

(f) There are no CPE requirements for retired or inactive CPAs.

(g) Any CPE hours completed during the calendar year in which the certificate is approved may be used for that year's requirement even if the hours were completed before the certificate was granted. When a CPA has completed more than the required number of hours of CPE in any one calendar year, the extra hours, not in excess of 20 hours, may be carried forward and treated as hours earned in the following year. A CPA may not claim CPE credit for courses taken in any year prior to the year of certification.

(h) Any CPE hours used to satisfy the requirements for change of status as set forth in 21 NCAC 08J .0105, for reinstatement as set forth in 21 NCAC 08J .0106, or for application for a new certificate as set forth in 21 NCAC 08I. 0104 may also be used to satisfy the annual CPE requirement set forth in Paragraph (e) of this Rule.

(i) It is the CPA's responsibility to maintain records substantiating the CPE credits claimed for the current year and for each of the four calendar years prior to the current year.

(j) A non-resident licensee may satisfy the annual CPE requirements including 21 NCAC 08G .0401 in the jurisdiction in which he or she is licensed and currently works or resides. If there is no annual CPE requirement in the jurisdiction in which he or she is licensed and currently works or resides, he or she must comply with (e) of this rule.

21 NCAC 08G .0403, is amended as published in 21:01, pages 51-52, with changes, as follows:

.0403 QUALIFICATION OF CPE SPONSORS

(a) The Board registers sponsors of CPE courses and not courses. The Board will maintain a list of sponsors which have agreed to conduct programs in accordance with the standards for CPE set forth in ~~21 NCAC 08G .0404~~ this Subchapter. Such sponsors shall indicate their agreement by signing a CPE program sponsor agreement form provided by the Board. These sponsors are registered sponsors.

(b) Notwithstanding Paragraph (a) of this Rule, sponsors of continuing education programs which are listed in good standing on the National Registry of CPE Sponsors maintained by the NASBA are considered to be registered CPE sponsors with the Board. These ~~sponsors~~, sponsors are not required to sign a CPE program sponsor agreement form with this Board.

(c) In the CPE program sponsor agreement with the Board, the registered sponsor shall agree to:

(1) allow the Board to audit courses offered by the sponsor in order to determine if the sponsor is complying with the terms of the agreement and shall refund the registration fee to the auditor if requested by the auditor;

(2) have an individual who did not prepare the course review each course to be sure it meets the standards ~~in this Rule~~; for CPE;

(3) state the following in every brochure or other publication or announcement concerning a course:

(A) the general content of the course and the specific knowledge or skill taught in the course;

(B) any prerequisites for the course and any advance preparation required for the course and if none, that should be stated;

(C) the level of the course, such as basic, intermediate, or advanced;

(D) the teaching methods to be used in the course;

(E) the amount of sponsor recommended CPE credit a CPA who takes the course could claim; and

(F) the date the course is offered, if the course is offered only on a certain date, and, if applicable, the location;

(4) ensure that the instructors or presenters of the course are qualified to teach the subject matter of the course and to apply the instructional techniques used in the course;

(5) evaluate the performance of an instructor or presenter of a course to determine whether the instructor or presenter is suited to serve as an instructor or presenter in the future;

(6) encourage participation in a course only by those who have the appropriate education and experience;

(7) distribute course materials to participants in a timely manner;

(8) use physical facilities for conducting the course that are consistent with the instructional techniques used;

(9) assign accurately the number of CPE credits each participant may be eligible to receive by either:

(A) monitoring attendance at a group course; or

(B) testing in order to determine if the participant has learned the material presented;

(10) provide, before the course's conclusion, an opportunity for the attendees to evaluate the quality of the course by questionnaires, oral feedback, or other means, in order to determine whether the course's objectives have been met, its prerequisites were necessary or desirable, the facilities used were satisfactory, and the course content was appropriate for the level of the course;

(11) inform instructors and presenters of the results of the evaluation of their performance;

(12) systematically review the evaluation process to ensure its effectiveness;

(13) retain for five years from the date of the course presentation or completion:

(A) a record of participants completing course credit requirements;

(B) an outline of the course (or equivalent);

(C) the date and location of presentation;

(D) the participant evaluations or summaries of evaluations;

(E) the documentation of the instructor's qualifications; and

(F) the number of contact hours recommended for each participant;

(14) have a visible, continuous and identifiable contact person who is charged with the administration of the sponsor's CPE programs and has the responsibility and is accountable for assuring and demonstrating compliance with these rules by the sponsor or by any other organization working with the sponsor for the development, distribution or presentation of CPE courses;

(15) develop and promulgate policies and procedures for the management of grievances including, but not limited to, tuition and fee refunds;

(16) possess a budget and resources that are adequate for the activities undertaken and their continued improvement; and

(17) provide persons completing course requirements with written proof of completion indicating the participant's name, the name of the course, the date the course was held or completed, the sponsor's name and address, and the number of CPE hours calculated and recommended in accordance with 21 NCAC 08G .0409.

(d) Failure of a registered sponsor to comply with the terms of the CPE program sponsor agreement shall be grounds for the Board to terminate the agreement, to remove the registered sponsor's name from the list of registered sponsors and to notify the public of this action.

(e) Failure of a National Registry of CPE Sponsor to comply with the terms of this rule shall be grounds for the Board to disqualify the sponsor to be registered as a CPE sponsor with this Board and to notify NASBA and the public of this action.

21 NCAC 08G .0404, is amended as published in 21:01, pages 52-54, as follows:

.0404 REQUIREMENTS FOR CPE CREDIT

(a) A CPA shall not be granted CPE credit for a course unless the course:

(1) is in one of the ~~six seven~~ fields of study recognized by the Board and set forth in Paragraph (b) of this Rule;

(2) is developed by an individual who has education and work experience in the subject matter of the course; and

(3) uses instructional techniques and

materials that are current and accurate.

~~(b) The six seven fields of study recognized by the Board are accounting and auditing, consulting services, ethics, management, personal development, specialized knowledge and applications, and taxation. are:~~

~~(1) The accounting and auditing field of study includes accounting and financial reporting subjects, the body of knowledge dealing with recent pronouncements of authoritative accounting principles issued by the standard-setting bodies, and any other related subject generally classified within the accounting discipline. It also includes auditing subjects related to the examination of financial statements, operations systems, and programs; the review of internal and management controls; and the reporting on the results of audit findings, compilation, and review.~~

Accounting and Auditing

(A) Accountancy

(B) Accounting – Governmental

(C) Auditing

(D) Auditing – Governmental

~~(2) The consulting services field of study deals with all consulting services provided by professional accountants—management, business, personal, and other. It includes management consulting services and personal financial planning services. This field also covers an organization's various systems, the services provided by consultant practitioners, and the engagement management techniques that are typically used. An organization's systems include those dealing with planning, organizing, and controlling any phase of individual financial activity and business activity. Services provided encompass those for management, such as designing, implementing, and evaluating operating systems for organizations, as well as business consulting services and personal financial planning.~~

Consulting Services

(A) Administrative Practice

(B) Social Environment of Business

~~(3) The management field of study considers the management needs of individuals primarily in public practice, industry, and government. Some~~

~~subjects concentrate on the practice management area of the public practitioner, such as organizational structures, marketing services, human resource management, and administrative practices. For individuals in industry, there are subjects dealing with the financial management of the organization, including information systems, budgeting, and asset management, as well as items covering management planning, buying and selling businesses, contracting for goods and services, and foreign operations. For CPAs in government, this curriculum embraces budgeting, cost analysis, human resource management, and financial management in state and local governmental entities. In general, the emphasis in this field is on the specific management needs of CPAs and not on general management skills.~~

Ethics

(A) Behavioral Ethics

(B) Regulatory Ethics

~~(4) The personal development field of study includes becoming a competent people manager, which covers such skills as communications, managing the group process, and dealing effectively with others in interviewing, counseling, and career planning. Public relations and professional ethics are also treated.~~

Management

(A) Business Law

(B) Business Management and Organization

(C) Finance

(D) Management Advisory Services

(E) Marketing

~~(5) The specialized knowledge and applications field of study treats subjects related to specialized industries, such as not-for-profit organizations, health care, and oil and gas.~~

Personal Development

(A) Communications

(B) Personal Development

(C) Personnel/HR

Rules

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(6) ~~The taxation field of study includes subjects dealing with tax compliance and tax planning. Compliance covers tax return preparation and review and IRS examinations, ruling requests, and protests. Tax planning focuses on applying tax rules to prospective transactions and understanding the tax implications of unusual or complex transactions. Recognizing alternative tax treatments and advising the client on tax saving opportunities are also part of tax planning.~~

Special Knowledge and Applications

(A) Computer Science

(B) Economics

(C) Mathematics

(D) Production

(E) Specialized Knowledge and Applications

(F) Statistics

(7) Tax

(c) The following may qualify as acceptable types of continuing education programs, provided the programs comply with the requirements set forth in Paragraph (a) of this Rule:

(1) professional development programs of national and state accounting organizations;

(2) technical sessions at meetings of national and state accounting organizations and their chapters;

(3) courses taken at regionally accredited colleges and universities;

(4) educational programs that are designed and intended for continuing professional education activity conducted within an association of accounting firms; and

(5) correspondence courses that are designed and intended for continuing professional education activity. ~~A CPA may claim credit for a course offered by a non-registered sponsor provided that the course meets the requirements of 21 NCAC 08G .0403(c), 21 NCAC 08G .0404, and 21 NCAC 08G .0409. The CPA shall maintain documentation proving that the course met these standards.~~

(d) CPE credit may be granted for teaching a CPE course or authoring a publication as long as the preparation to teach or write increased the CPA's

professional competency and was in one of the six seven fields of study recognized by the Board and set forth in Paragraph (b) of this Rule.

(e) CPE credit shall not be granted for a self-study course if the material that the CPA must study to take the examination is not designed for CPE purposes. This includes periodicals, guides, magazines, subscription services, books, reference manuals and supplements which contain an examination to test the comprehension of the material read.

(f) A CPA may claim credit for a course offered by a non-registered sponsor provided that the course meets the requirements of 21 NCAC 08G .0403(c), 21 NCAC 08G .0404, and 21 NCAC 08G .0409. The CPA shall maintain documentation proving that the course met these standards.

21 NCAC 08G .0406, is amended as published in 21:01, page 54, as follows:

.0406 COMPLIANCE WITH CPE REQUIREMENTS

(a) All active CPAs shall file with the Board a completed CPE reporting form by the July 1 renewal date of each year.

(b) If a CPA fails to complete the CPE requirements prior to the end of the previous calendar year but the CPA has completed them by June 30, the Board may:

(1) change the CPA's status from active to conditional and require the payment of a civil penalty of one hundred dollars (\$100.00) for the first such failure within a five calendar year period; issue a letter of warning for the first such failure within a five calendar year period; and

(2) place the CPA on conditional status again and require the payment of a civil penalty of two hundred fifty dollars (\$250.00) for the second such failure within a five calendar year period; and

(3) (2) deny the renewal of the CPA's certificate for a period of not less than 30 days and until the CPA meets the reinstatement requirements set forth in 21 NCAC 08J .0106 for the ~~third~~ second such failure within a five calendar year period.

21 NCAC 08G .0409, is amended as published in 21:01, page 54, as follows:

.0409 COMPUTATION OF CPE CREDITS

(a) Group Courses: Non-College. CPE credit for a group course that is not part of a college curriculum shall be given based on contact hours. A contact hour shall be 50 minutes of instruction. One-half credits shall be equal to 25 minutes after the first credit hour has been earned in a formal learning activity. For example, a group course lasting 100 minutes shall be two contact hours and thus two CPE credits. A group course lasting 75 minutes shall be only one and one-half contact hours and thus one and one-half CPE credits. When individual segments of a group course shall be less than 50 minutes, the sum of the individual segments shall be added to determine the number of contact hours. For example, five 30-minute presentations shall be 150 minutes, which shall be three contact hours and three CPE credits. No credit shall be allowed for a segment unless the participant completes the entire segment.

(b) Completing a College Course. CPE credit for completing a college course in the college curriculum shall be granted based on the number of credit hours the college gives the CPA for completing the course. One semester hour of college credit shall be 15 CPE credits; one quarter hour of college credit shall be 10 CPE credits; and one continuing education unit (CEU) shall be 10 CPE credits. However, under no circumstances shall CPE credit be given to a CPA who audits a college course.

(c) Self Study. CPE credit for a self-study course shall be given based on the average number of contact hours needed to complete the course. The average completion time shall be allowed for CPE credit. A sponsor must determine, on the basis of pre-tests, the average number of contact hours it takes to complete a course. CPE credit for self-study courses shall be limited so that a CPA completes at least eight hours of non-self study each year.

(d) Instructing a CPE Course. CPE credit for teaching or presenting a CPE

course for CPAs shall be given based on the number of contact hours spent in preparing and presenting the course. No more than 50 percent of the CPE credits required for a year shall be credits for preparing for and presenting CPE courses. CPE credit for preparing for and presenting a course shall be allowed only once a year for a course presented more than once in the same year by the same CPA.

(e) Authoring a Publication. CPE credit for published articles and books shall be given based on the number of contact hours the CPA spent writing the article or book. No more than 25 percent of a CPA's required CPE credits for a year shall be credits for published articles or books. An article written for a CPA's client or business newsletter is not applicable for this CPE credit.

(f) Instructing a College Course. CPE credit for instructing a graduate level college course shall be given based on the number of credit hours the college gives a student for successfully completing the course, using the calculation set forth in Paragraph (b) of this Rule. Credit shall not be given for instructing an undergraduate level course. In addition, no more than 50 percent of the CPE credits required for a year shall be credits for instructing a college course and, if CPE credit shall also be claimed under Paragraph (d) of this Rule, no more than 50 percent of the CPE credits required for a year shall be credits claimed under Paragraph (d) and this Paragraph. CPE credit for instructing a college course shall be allowed only once for a course presented more than once in the same year by the same CPA.

21 NCAC 08G .0410, is amended as published in 21:01, page 55, as follows:

.0410 PROFESSIONAL ETHICS AND CONDUCT CPE

(a) As part of the annual CPE requirement, all active CPAs shall complete CPE on professional ethics and conduct as set out in 21 NCAC 08N. They shall complete either two hours in a group study format or four hours in a self-study format. These

courses shall be approved by the Board pursuant to 21 NCAC 08G .0400. This CPE shall be offered by a CPE sponsor registered with the Board pursuant to 21 NCAC 08G .0403(a) or (b).

(b) ~~A non-resident licensee who maintains an office whose primary office is in North Carolina must comply with Paragraph (a) of this Rule. All other non-resident licensees may satisfy Paragraph (a) of this Rule by completing the ethics requirements in the jurisdiction in which he or she resides; is licensed as a CPA and works or resides.~~ If there is no ethics CPE requirement in the jurisdiction where he or she ~~currently resides; is licensed and currently works or resides,~~ he or she must comply with Paragraph (a) of this Rule.

2007 Board Meetings

February 19
March 22*
April 24
May 23
June 26**
July 23
August 20
September 19
October 18
November 19
December 19

Meetings of the Board are open to the public except, when under State law, some portions may be closed to the public.

Unless otherwise noted, meetings are held at the Board office at 1101 Oberlin Road, Raleigh, and begin at 10:00 a.m.

Items to be considered for placement on the agenda must be submitted to the Board's Executive Director at least two weeks prior to the meeting date.

The agenda for each meeting is posted on the Board's web site, www.nccpaboard.gov, approximately one week prior to the date of the meeting.

*1:00 p.m.
**Greensboro

Certificates Issued

At its December 18, 2006, meeting, the Board approved the following applications for licensure:

Jeffery Bruce Baker
Brandon Gray Combs
Gregory Michael Flicek
Lisa Adams Harper
Laura Hagel Shepherd
Ray Van der Horst
Alan David Westheimer

Reclassifications

The following applications for reclassification were approved by the Board at its December 18, 2006, meeting:

Reinstatement

Selene Davis Butts, #21771
Gregory Steven Farish, #14402
Steven John Frost, #24957
Kristen Moore Goodlaxson, #23677
Melisa Howard Hardy, #20199
Katherine Woelfel Hudgins, #19148
Paul Daniel MacDonald, #24360
Barbara Paterek, #27744
Richard Darren Russell, #20234
Norborne Gee Smith, Jr., #861
Jeanne Summers, #30881
Clinton Eugene VanHoy, #16812
Earl A. Lawson, #16528
Brian Thomas Marley, #14695
Judy Ann Vaughan, #19007

Retired

"Retired," when used to refer to the status of a person, describes one possessing a North Carolina certificate of qualification who verifies to the Board that the applicant does not receive, or intend to receive in the future, any earned compensation for current personal services in any job whatsoever and will not return to active status [21 NCAC 08A .0301(b)(23)].

Linda S. Stamper
Statesville, NC



State Board of CPA Examiners

Board Members

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